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NATURAL RESOURCE ENERGY DEVELOPMENT IMPACT COMPENSATION OPERATIONS PROCEDURE GUIDE

APPLICABILITY

All Department-owned divisions, facilities, and programs located in the identified region impacted by natural resource energy development.

**NATURAL RESOURCE ENERGY DEVELOPMENT IMPACT COMPENSATION
OPERATIONS PROCEDURE GUIDE
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I. Introduction to the Department's Natural Resource Energy Development Impact Compensation

A. Purpose

The Department's Natural Resource Energy Development Impact Compensation policy provides housing allowances and travel subsidies that are necessary to recruit and retain employees located in the area affected by natural resource energy development activities in accordance with the provision provided in [MOM 240, Natural Resource Energy Development Impact Compensation policy](#).

II. Responsibilities

A. Responsibilities of Supervisors

Facility or program supervisors will identify employees affected by natural resource energy development activities. Information relating to the type of allowance requested will be entered into the [Housing Allowance Agreement](#) or [Travel Subsidy Agreement](#) form and forwarded to the facility or program administrator, or designee.

- 1) Housing allowance payments – This option is to offset the high cost of renting in the affected area.
- 2) Travel Subsidies – This option is to help offset the cost of travel for employees working in the affected area who, due to a shortage of available housing, cannot find affordable housing within 15 miles (one-way) of the employee's assigned work location.

B. Responsibilities of Employees

Housing Allowance – Employees will be required to provide a signed copy of the lease/rental agreement prior to receiving a housing allowance. In addition, employees must:

- a. complete the [Housing Allowance Agreement](#) form; and
- b. notify the Department of any changes to the housing allowance agreement.

Travel Subsidy – Employees will be required to document their effort to find adequate housing located within 15 miles (one-way) from their primary work location. Documentation should include dates, rental agents, advertising sources, and must provide justification when suitable options were rejected; if applicable. In addition, the employee agrees to:

- a. maintain vehicle insurance;
- b. have a valid driver's license and meet all other qualifications provided in [DOC 1.2.18 Fleet Vehicle Management](#);
- c. notify the Department if their travel status changes;
- d. complete the [Travel Subsidy Agreement](#) form; and
- e. complete a [Travel Expense Voucher](#) each pay period to document miles driven per pay period in accordance with the [Travel Subsidy Agreement](#) form.

C. Responsibilities of the Human Resource Bureau (HRB)

Human Resources (HR) staff will work with the employee identified in section (A) to fill out the [Housing Allowance Agreement](#) or [Travel Subsidy Agreement](#) form. Once complete HR will:

- a. contact the payroll unit to verify 30% of the employee's gross salary;
- b. determine eligibility based on the [Travel Subsidy Matrix](#) or [Housing Allowance Matrix](#) as applicable;
- c. complete the approval of the appropriate allowance agreement form and forward to payroll for processing; and
- d. file the lease/rental agreement forms for facility or program access.

D. Responsibilities of the Payroll Unit

Housing Allowance Payments

Upon email notification from HR, payroll will validate 30% of the employee's gross pay and provide that information to the facility or program.

Once payroll receives the approved [Housing Allowance Agreement](#), the amount indicated on the form will be entered into the employee's timesheet in the next pay period. If the pay period falls in-between the months the rent is due, payroll will also process the next month rent so the employee will be current in rent payments.

Employees are eligible for the housing allowance portion of the first and last month rent only if it is specifically required by the lease/rent agreement, and the employee will be obligated to pay back any unused allowance in the event the employee resigns, is terminated, or terminates their lease early; forfeiting the last month rent. Payroll will track the unused allowance as paid through the payroll system and withhold that amount when requested by the facility or program administrator, or designee.

All housing allowance payments will be made in accordance with SABHRS coding as provided by the Department of Administration. All approved agreement forms will be kept in the payroll file.

Travel Subsidy Payments

Upon receipt of the employee's [Travel Expense Voucher](#), payroll will process travel subsidy payments on the next payroll cycle. This is based on the miles driven per pay period times .15 cents (Total miles driven per pay period x .15 cents).

Qualifying mileage may only include miles driven round trip from the employee's residence to their primary work location. Mileage will be calculated using the most direct route.

Travel allowance subsidies may not exceed \$230.77 per pay period.

III. Definitions

Affected Area – The area defined as impacted by natural resource energy development in Eastern Montana includes the counties of Valley, Daniels, Sheridan, Roosevelt, McCone, Garfield, Dawson, Prairie, Custer, Fallon, Wibaux, and Richland.

30% of Gross Monthly Income –Rate of pay times 2080 (hours in a year) divided by 12 months.

Lease agreement – A contract granting the use or possession of land or property from one party to another for a specific period and at a defined rate.

Rental agreement – An agreement where a payment is made for the temporary use of housing owned by another person or company.

Travel Expense Voucher – Claim form used by the Department to submit miles driven for reimbursement.

IV. Attachments

- 1) [DOC Policy 1.3.6, Natural Resource Energy Development Impact Compensation](#)
- 2) [Montana Operations Manual 240, Natural Resource Energy Development Impact Compensation](#)
- 3) [Travel Subsidy Matrix](#)
- 4) [Housing Allowance Matrix](#)
- 5) [Pay Plan Addendum \(A\)](#)
- 6) [Travel Subsidy Agreement](#)
- 7) [Housing Allowance Agreement](#)
- 8) [Travel Expense Voucher](#)